

AMENDMENTS TO THE CLAIMS

Kindly replace the claims as follows.

1-127. (Cancelled)

128. (New) A method, comprising the steps of:

by a computer of an electronic trading system, evaluating orders to trade an instrument to determine whether the orders are placed by market-makers, and evaluating received orders to determine whether a bid to buy order for the instrument crosses price with an offer to sell order for the instrument;

(1) based on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, and that the crossed orders are each from market makers, starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and automatically taking at least one of the following actions (a), (b) or (c):

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other;

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other;

(c) starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other at the price of the later order;

(2) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order; and

(3) by computer of an electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

129. (New) A method, comprising the steps of:

by a computer of an electronic trading system, evaluating orders to trade an instrument to determine whether the orders are placed by market-makers, and evaluating received orders to determine whether a bid to buy order for the instrument crosses price with an offer to sell order for the instrument;

based on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, and that the crossed orders are each from market makers, automatically taking at least one of the following actions:

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other;

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other;

(c) starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

130. (New) The method of claim 129, further comprising the step of:
adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order.

131. (New) The method of claim 130, further comprising the step of:
executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other.

132. (New) The method of claim 131, further comprising the step of:
based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

133. (New) The method of claim 131, further comprising the step of:
computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

134. (New) The method of claim 130, further comprising the step of:
executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other.

135. (New) The method of claim 134, further comprising the step of:

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

136. (New) The method of claim 130, wherein:

the adjusting of price is a change of the price of the earlier of the crossed market maker orders to match the price of the later of the crossed market maker orders.

137. (New) The method of claim 136, further comprising the step of:

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

138. (New) The method of claim 136, further comprising the step of:

by computer of an electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the

commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

139. (New) The method of claim 130, further comprising the step of:
assigning a new priority time stamp to the order whose price is adjusted.

140. (New) The method of claim 130, further comprising the step of:
on cancellation of the order to which the other order's price is adjusted, returning the price of the adjusted-price order to its pre-adjustment price.

141. (New) The method of claim 130, further comprising the step of:
starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

142. (New) The method of claim 141, further comprising the step of:
based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

143. (New) The method of claim 141, further comprising the step of:
canceling the automatic execution if the price of either the crossed or matching market maker orders is moved to be no longer be crossed or matching before the timer expires.

144. (New) The method of claim 141, further comprising the step of:
based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed orders are each from market makers, automatically taking at least one of the following actions:

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other; or

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other.

145. (New) The method of claim 144, further comprising the step of:
canceling the automatic execution if, before the timer expires, an order is received at the electronic trading system from a non-market-maker customer, the price of the non-market-maker order being equal to or more favorable to the market maker whose crossed order was not modified than is the price of the other crossed market maker order.

146. (New) The method of claim 144, further comprising the step of:
if, before the timer expires, an order is received at the electronic trading system from a non-market-maker customer at a price executable against either of the crossed non-market-maker orders, executing the non-market-maker order against the executable market maker order without substantial delay.

147. (New) The method of claim 146, further comprising the step of:
after executing the non-market-maker order against the executable market maker order,
automatically canceling or moving a price of at least one of the crossed market maker orders.

148. (New) The method of claim 141, wherein:
the duration of the timer varies by instrument traded on the electronic trading system.

149. (New) The method of claim 141, wherein:
the duration of the timer varies with market volatility in the instrument.

150. (New) The method of claim 141, wherein:
the duration of the timer varies with one or more of current price level and average
trading volume.

151. (New) The method of claim 129, further comprising the step of:
based on a determination by a computer of the electronic trading system that a price of a
bid to buy order locks or crosses the price of an offer to sell order, and that the locked or crossed
orders are each from market makers, starting a timer delaying execution of the locked or crossed
market maker orders against each other for a period of time; and
if the crossed market maker orders remain matching at expiry of the timer, automatically
executing the two market maker orders against each other.

152. (New) The method of claim 129, further comprising the step of:
based at least in part on a determination by a computer of the electronic trading system
that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed
orders:

(a) if the evaluation determined that both crossed orders are from market makers
or that both crossed orders are from non-market makers, executing a trade between the crossed
orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

153. (New) The method of claim 129, further comprising the step of:

by computer of the electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

154. (New) A method, comprising the steps of:

by a computer of an electronic trading system, evaluating orders to trade an instrument to determine whether the orders are placed by market-makers, and evaluating received orders to determine whether a bid to buy order for the instrument locks or crosses price with an offer to sell order for the instrument; and

based on a determination by a computer of the electronic trading system that a price of a bid to buy order locks or crosses the price of an offer to sell order, and that the locked or crossed orders are each from market makers, starting a timer delaying execution of the locked or crossed market maker orders against each other for a period of time; and

if the crossed market maker orders remain matching at expiry of the timer, automatically executing the two market maker orders against each other.

155. (New) The method of claim 154, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed orders are each from market makers, automatically taking at least one of the following actions:

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the

market for execution by non-market makers while not executing the market makers' orders against each other;

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other;

(c) starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

156. (New) The method of claim 155, further comprising the step of:

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order; and

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order; and

by computer of the electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

157. (New) The method of claim 154, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed orders are each from market makers,

automatically adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other.

158. (New) The method of claim 154, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed orders are each from market makers, automatically adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other.

159. (New) The method of claim 154, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed orders are each from market makers, automatically starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

160. (New) The method of claim 154, further comprising the step of:

during the period of the timer, automatically comparing the crossed market maker orders against orders from non-market maker traders, and if a non-market maker order matches one of the crossed market maker orders, and automatically executing a trade between the matching non-market maker order and the matched crossed market maker order.

161. (New) The method of claim 160, further comprising the step of:

after executing the trade between the matching non-market maker order and the matched crossed market maker order, executing any remainder of the crossed market maker orders against each other without awaiting expiry of the timer.

162. (New) The method of claim 160, further comprising the step of:

during the period of the timer, if any further market maker order is received at a price at which market makers lock, automatically executing orders at the locked price, without waiting expiry of the timer.

163. (New) The method of claim 154, further comprising the step of:

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order; and

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

164. (New) The method of claim 154, further comprising the step of:

by computer of an electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

165. (New) The method of claim 154, wherein:

the electronic trading system maintains one timer per instrument traded.

166. (New) The method of claim 154, wherein:

the electronic trading system is programmed to cancel the automatic execution if either crossed market maker order is cancelled or if the price is changed.

167. (New) The method of claim 154, wherein:

the electronic trading system is programmed to vary the period of time for the timer based on market volatility.

168. (New) The method of claim 154, wherein:

the electronic trading system is programmed to trade multiple instruments, and is programmed to vary the period of time for the timer based on the instrument.

169. (New) The method of claim 154, wherein:

the electronic trading system is programmed to vary the period of time for the timer based on one or more of current price and average trading volume.

170. (New) A method, comprising the steps of:

by a computer of an electronic trading system, evaluating orders to trade an instrument to determine whether the orders are placed by market-makers, and evaluating received orders to determine whether a bid to buy order for the instrument crosses price with an offer to sell order for the instrument;

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) if the evaluation determined that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) if the evaluation determined that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.

171. (New) The method of claim 170, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, and that the crossed orders are each from market makers, automatically taking at least one of the following actions:

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other;

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other; and

(c) starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or

crossed at expiry of the timer, automatically executing the two market maker orders against each other.

172. (New) The method of claim 170, further comprising the step of:

adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other.

173. (New) The method of claim 170, further comprising the step of:

adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other;

174. (New) The method of claim 170, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed bid and offer orders are each from market makers, automatically starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

175. (New) The method of claim 170, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid to buy order locks or crosses the price of an offer to sell order, and that the locked or crossed orders are each from market makers, starting a timer delaying execution of the locked or crossed market maker orders against each other for a period of time; and

if the crossed market maker orders remain matching at expiry of the timer, automatically executing the two market maker orders against each other.

176. (New) The method of claim 170, further comprising the step of:

by computer of the electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

177. (New) A method, comprising the steps of:

by computer of an electronic trading system, computing brokerage fees to traders for trades executed on the electronic trading system, the brokerage fee computation differing depending on whether each trader is on the aggressive side or passive side of a trade, the commission schedule arranged to charge passive-side brokerage fees to market makers whether on aggressive side or passive side.

178. (New) The method of claim 177, further comprising the step of:

by a computer of an electronic trading system, evaluating orders to trade an instrument to determine whether the orders are placed by market-makers, and evaluating received orders to determine whether a bid to buy order for the instrument crosses price with an offer to sell order for the instrument;

based on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, and that the crossed orders are each from market makers, automatically taking at least one of the following actions:

(a) adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other;

(b) adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against

any matching orders from non-market maker traders, while not executing the market makers' orders against each other; and

(c) starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

179. (New) The method of claim 177, further comprising the step of:

adjusting a price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and publishing the adjusted price order to the market for execution by non-market makers while not executing the market makers' orders against each other.

180. (New) The method of claim 177, further comprising the step of:

adjusting the price of at least one of the crossed market maker orders to match the price of the other crossed market maker order, and executing the adjusted price order against any matching orders from non-market maker traders, while not executing the market makers' orders against each other;

181. (New) The method of claim 177, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid crosses the price of an offer, and that the crossed bid and offer orders are each from market makers, automatically starting a timer delaying execution of the crossed market maker orders against each other for a period of time, and if the crossed market maker orders remain matching or crossed at expiry of the timer, automatically executing the two market maker orders against each other.

182. (New) The method of claim 177, further comprising the step of:

based on a determination by a computer of the electronic trading system that a price of a bid to buy order locks or crosses the price of an offer to sell order, and that the locked or crossed

orders are each from market makers, starting a timer delaying execution of the locked or crossed market maker orders against each other for a period of time; and

if the crossed market maker orders remain matching at expiry of the timer, automatically executing the two market maker orders against each other.

183. (New) The method of claim 177, further comprising the step of:

based at least in part on a determination by a computer of the electronic trading system that a price of a bid to buy order crosses the price of an offer to sell order, handling the crossed orders:

(a) on determination that both crossed orders are from market makers or that both crossed orders are from non-market makers, executing a trade between the crossed orders at the price of the later order;

(b) on determination that the later crossed order is from a market maker and the earlier crossed order is from a non-market-maker, executing a trade between the crossed orders at the price of the earlier non-market-maker order.